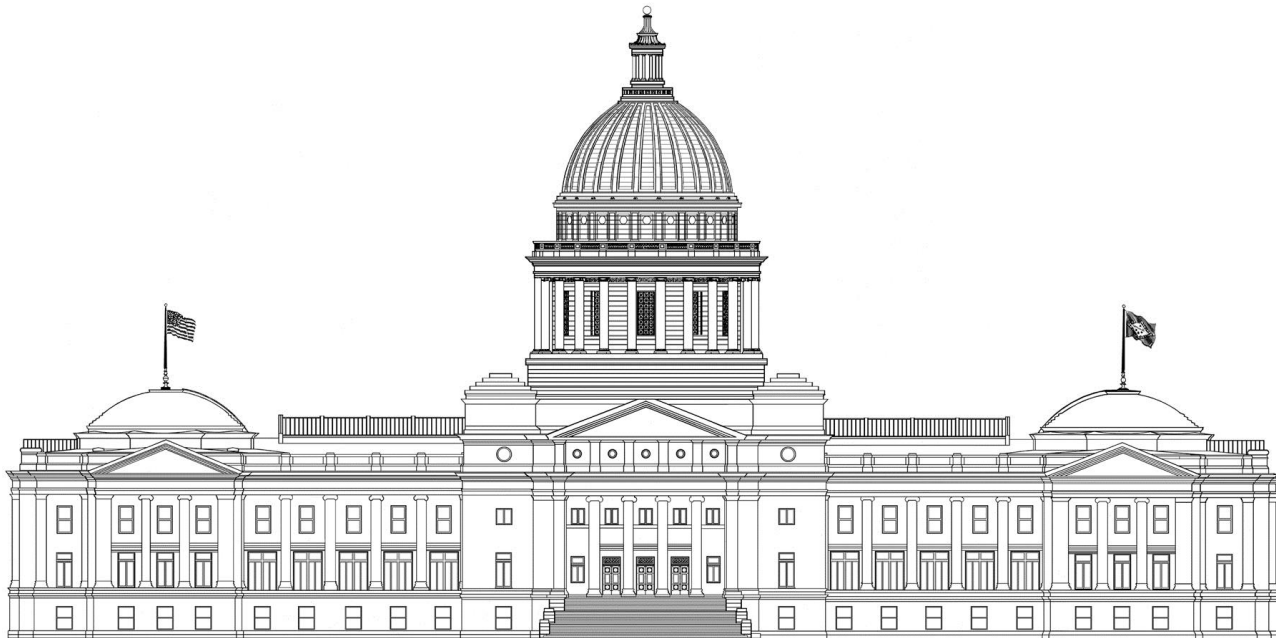


PROCUREMENT





Abbreviations

- ❖ Office of State Procurement – OSP
- ❖ Service Bureau – SB
- ❖ Purchase Requisition – PR
- ❖ Purchase Order – PO
- ❖ Outline Agreement - OA

Specifications

❖ The goal of every successful procurement transaction

- Right Price
- Right Quantity
- Right Quality
- Right Time
- Right Place





What Is A Specification?

- ❖ Specifications allow for competition between vendors, products and services by describing the minimum acceptable specification.
- ❖ A precise description of a product or service.



Specifications

- ❖ Specifications must contain detail descriptions of the product(s) and service(s) required.
- ❖ Specifying a product by name, term, symbol, design, or any combination thereof.
- ❖ Words **Must**, **Shall**, or **Will** specify requirements. Words **May** or **Should** allow options.
- ❖ Include words **responsive** and **responsible**.
- ❖ Written bids must be signed and the price written in ink.

Specifications

❖ Specifications should include:

- Quantities
- Quality Desired
- Invoice Information
- Price Information
- Delivery Instructions
- Special Terms & Conditions





Specifications

- ❖ Specifications are for a swing:
 - Must accommodate multiple children playing at the same time
 - Wooden frame sturdy enough to be climbed on
 - Must provide a cover or canopy for shade

WHAT YOU WANTED



WHAT YOU GOT



SPECIFICATIONS

❖ What you wanted...

Specifications for a Garbage Disposal:

- Newest Model
- Small / Compact
- Minimal sound
- Delivers a continuous feed

❖ What you got...





QUANTITY

- ❖ Estimated quantity vs. firm quantity used in the Invitation for Bid or Request for Proposal process by OSP.
- ❖ Units of Measure – each, case, etc.



Quality Desired

- ❖ Difficult to Define. Use of brand names to identify items of similar quality.
- ❖ If using brand names, include “or approved equivalent” to make it fair for all the other vendors.



Invoice Information

- ❖ Complete description of the product delivered or service performed
- ❖ Unit Price
- ❖ Sub-total
- ❖ Taxes
- ❖ Total Price
- ❖ Location to send payment



Price Information

- ❖ Pricing must be expressed in US dollars
- ❖ In most cases, prices should be limited to 2 digits past the decimal point
- ❖ Specify quotes in the English language



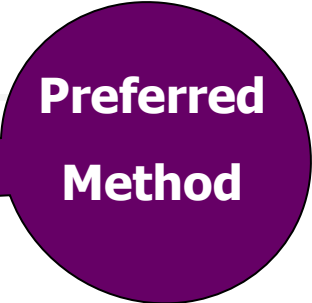


Delivery Instructions

- ❖ Delivery Requirements – Number of Days.
- ❖ Calendar Days vs. Working Days.
- ❖ Delivery Locations.
 - Special Route Directions.
 - Special Off-loading Equipment.
 - Contact Person Information - Phone numbers.
 - E-mail Address, etc.



Delivery Terms



**Preferred
Method**

❖ FOB Destination

- The vendor owns the goods in transit
- The vendor files any freight claims
- The vendor pays for the freight charges

❖ FOB Shipping Point

- The agency owns the goods in transit
- The agency files any freight claims
- The agency pays for the freight charges

Delivery & Inspection



❖ Prompt Inspections.

- UCC recognizes timely manner to be within 7-14 calendar days.
- Don't let it off the truck. Unacceptable/damaged goods should be rejected at or on the shipping dock.

❖ Documentation.

- Documentation must be accurate & immediate.
- Take pictures.

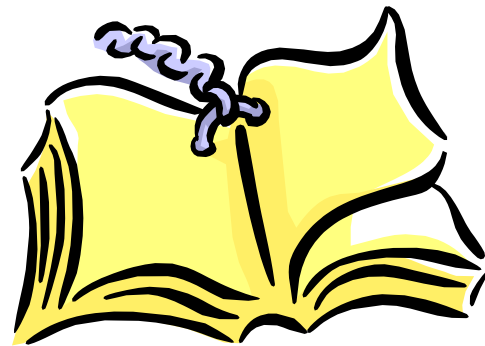
❖ Timely Notifications.

- Notify Vendor Immediately by phone and email (provides documentation of vendor contact).

Identifying Sources of Supply

❖ Where to find vendors

- AASIS (SAP)/OSP vendor lists
 - Vendors may be found by material group number(s)
- Internet
- Phone book



Minority vendor listing link available on the OSP homepage



Warranty



❖ Implied Warranty.

- A promise that something shall be fit for the purpose for which it is required.
- Required by Law.

❖ Expressed Warranty.

- A written explanation of the responsibilities of the seller in the event that the product is found to be defective or otherwise unsatisfactory.



Quantities

- ❖ Estimated quantity vs. firm quantity.
- ❖ Take advantage of volume discounts.
- ❖ Units of measure.
 - Be clear & precise.
- ❖ Overages- How will they be dealt with?
 - Returned or discounted?

Mistakes



- ❖ If a vendor makes a mistake in the extension of their totals, the **unit price** prevails on the bid document.
- ❖ Once the quote due date has occurred, the vendor may not make any changes that would materially alter his/her bid.





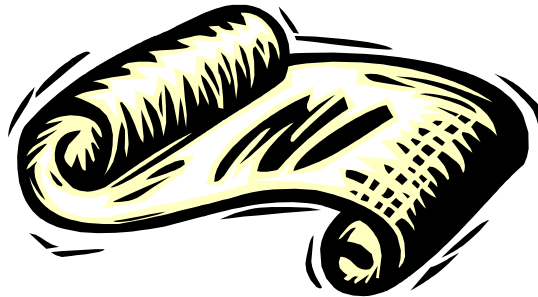
Addendums

- ❖ Addendums are used for:
 - Corrections, Changes, Specification Clarifications, Provide Additional Specifications, Change Bid Due Time/Date or to Cancel a Bid.

Document – Document – Document

Equal Employment Opportunity Policy

- ❖ 19-11-104: EEO Policy
- ❖ Required if not turned in previously
- ❖ Obtaining and maintaining is the responsibility of the agency
- ❖ Updates are the responsibility of the vendor





Employment of Illegal Immigrants

- ❖ All bidders on service contracts valued at \$25,000.00 or more shall certify online at:

<https://www.ark.org/dfa/immigrant/index.php/user/login>

This should be updated for every extension. It is the vendor's responsibility to keep this documentation as up to date as possible.



Scheduling Bids

	Small Orders	Quotes	OSP IFB	OSP RFP
Minimum	1	3	5	30
Suggested Maximum	1	3	21	60
Dollar Amounts	Under \$10k	\$10,001 - \$50k	Over \$50k	Over \$50k

- ❖ Times shown in calendar days
- ❖ Scheduling depends on the complexity of the project being solicited

Security of Bids

- ❖ Secure location
- ❖ Limited access
- ❖ Document on tab sheet
time & date bid receipt



Tie Bids

- ❖ Tie bids are resolved by a the flip of a coin.
- ❖ Must be witnessed by a state employee.
- ❖ Vendors must be notified and may witness coin toss.
- ❖ Document the process!



Anticipation to Award

- ❖ 14 calendar days
- ❖ Post on website
- ❖ Coincides with the protest timeline
- ❖ http://www.arkansas.gov/dfa/procurement/pro_intent.php



Vendor's Accessibility to Public Records

- ❖ Bidders may have access to bid tabulation after bids are opened.
- ❖ Any other information must be accessed through a FOIA request.





Protest

- ❖ Must be submitted in writing
- ❖ Protesting Award - 14 calendar days
- ❖ Protesting Specifications – 72 hours
- ❖ Resolved promptly
- ❖ Answered in writing by OSP or their designee

Award

- ❖ Contract
- ❖ Purchase order
- ❖ Outline agreement (AASIS)





Contract Extensions

- ❖ OSP will contact the agency 90 days in advance to inform the agency that their contract is expiring.
- ❖ Agency request to extend.
- ❖ Vendor agreement to extend.
- ❖ New Disclosure form.
- ❖ Illegal Immigrant certification (for services only).

Do not let the original contract expire!



Vendor Performance Report

- ❖ OSP web-site: purchasing forms and reporting
<http://www.dfa.arkansas.gov/offices/procurement/Documents/VendorPerformanceReport.pdf>
- ❖ Detail the problem
- ❖ Filed promptly
- ❖ Copy vendor
- ❖ Copy state procurement
- ❖ Good & bad performance

Small Orders

- ❖ Procurement Law 19-11-231 ([updated: Act 1189 of 2013](#)).
- ❖ Used for purchases under \$10,000.00.
- ❖ Bidding by OSP will not be required.
- ❖ Abuse of this procedure (split purchasing etc.) will be revealed in the eve agency audit.
- ❖ Purchase Locally.





How to Order

❖ Please refer to the Payment Guide on the Service Bureau website at:

<http://www.dfa.arkansas.gov/offices/procurement/Pages/sbInformation.aspx>

- Use a P-card to facilitate purchase
- Use the AASIS PO method
- Direct Invoice (FB60)



Written Quotes

- ❖ Procurement Law 19-11-234 ([updated: Act 1189 of 2013](#)).
- ❖ Used for purchases \$10,001.00-\$50,000.00
- ❖ The law requires a minimum of 3 quotes; more quotes means more competition which may result in better pricing



Written Quotes (cont.)

- ❖ Keep all quotes; even “no responses”.
- ❖ When obtaining quotes the best practice is to use a script so that all vendors get the same information.



Written Quote Requirements

- ❖ All requirements must be identified in the bid:
 - Signature (in ink)
 - Prices received by designated time in the bid request
 - Can be faxed or emailed



What to Send to OSP

- ❖ When there is a need for a material or service.
- ❖ Complete the Purchase Requisition to Purchase Order (Form "A").
- ❖ Attach a minimum of 3 quotes.
- ❖ Provide a copy of the written specifications provided to the bidders.
- ❖ E-Mail to sb-osp@dfa.arkansas.gov
- ❖ OSP will create the PO and fax or e-mail to the agency.



Competitive Sealed Bidding

- ❖ Procurement Law 19-11-229
- ❖ Used for purchases more than \$50,000.00
- ❖ Issuance of the bid will be made by OSP



What to Send to OSP

- ❖ When there is a need for a material or service over \$50,000.00
- ❖ E-Mail the following documents to sb-osp@dfa.arkansas.gov
 - Purchase Requisition to Bid Process (Form "B")
 - Agency's Suggested Bidders
 - Detailed Specifications



How a Bid is Processed through OSP

- ❖ Requisition is created by OSP and Bid folder is created.
- ❖ Bid folder is assigned to the OSP Buyer handling that commodity.
- ❖ OSP Buyer will work with the agency during the bid process.



How a Bid is Processed through OSP (cont.)

- ❖ OSP issues the Invitation for Bid.
- ❖ After bid opening, OSP buyer will contact agency for review of the successful bidder.
- ❖ After agency review, OSP Buyer will create the PO or OA.

Term Contracts



- ❖ All state contracts are listed on the OSP website at:
<http://www.dfa.arkansas.gov/offices/procurement/contracts/Pages/default.aspx>
- ❖ These contracts have been awarded by OSP for use by all State agencies



Types of Contracts



- ❖ There are 3 types of All-State contracts
 - Mandatory
 - If you buy this commodity you must use these contracts.
 - OSP has exclusive jurisdiction over these commodities or services.
 - Non-Mandatory
 - You can use these contracts or follow normal procurement law.
 - These contracts are in place for those who want to use them.
 - Cooperative
 - Contracts bid by another State or organization approved by OSP. Most are non-mandatory.



How to Order

- ❖ Refer to the Payment Guide on the Service Bureau website at:

<http://www.dfa.arkansas.gov/offices/procurement/Pages/sbInformation.aspx>

- Use a P-card to facilitate purchase
- Use the AASIS PO method



Sole Source Requirements

- ❖ Procurement Law 19-11-232
- ❖ Can be used for purchases of any dollar amount
- ❖ Specific procedures apply for Sole Source purchases



Sole Source Defined

- ❖ Proprietary procurements or single source procurements
- ❖ AASIS identifies a sole source as “SS”
- ❖ AASIS identifies a minority sole source as “MSS”



OSP Requirements

- ❖ Purchase Requisition to Purchase Order (Form "A")
- ❖ Letter of justification (Answers to 7 Questions)
- ❖ Disclosure form
- ❖ Vendor's Equal Employment Opportunity Policy
- ❖ Employment of Illegal Immigrants Certification (services only)
- ❖ Vendors complete online and provide a copy to the agency



SS Approval



- ❖ Send all required documents as one email to sb-osp@dfa.arkansas.gov.
- ❖ SS will be reviewed for the following:
 - All required written documents.
- ❖ SS approver will review and approve or disapprove before the agency may obtain the good(s) or service(s).



Minority Business Economic Development Act

- ❖ All state agencies shall attempt to ensure that ten percent (10%) of the total amount expended in state-funded and state-directed public construction programs and in the purchase of goods and services for the state each fiscal year is paid to minority businesses.



Minority Vendor Listing

- ❖ The Small and Minority Business Division of the Arkansas Economic Development Commission maintains a list of certified minority vendors at:
<http://arkansasedc.com/small-and-minority-business/small-and-minority-business-directory.aspx>

Minority Business Reporting



- ❖ The minority purchasing plan shall include without limitation:
 - The name of the state agency.
 - A policy statement signed by the agency head expressing a commitment to use minority business in all aspects of contracting to the maximum extent feasible.
 - The name of the minority business officer in the agency who is responsible for developing and administering the compliance plan.
 - The time table for the agency to reach its goals under the plan and the manner in which the agency intends to reach its goals.
 - Any other procedures the agency deems necessary to comply with the goals and the compliance plan.

Small and Minority Business Division Contact

- ❖ For additional information:
 - Karen Castle
Arkansas Economic Development Commission
501-682-7782





How to Order

- ❖ Refer to the Payment Guide on the Service Bureau website at:
<http://www.dfa.arkansas.gov/offices/procurement/Pages/sbInformation.aspx>
- Use a P-card to facilitate purchase
- Use the AASIS PO method
- Direct Invoice (FB60)



AASIS Purchase Order Process

The AASIS Purchase Order is known as the three-way match concept.

1. The Purchase Order
2. The Goods Receipt
3. The Vendor's Invoice

AASIS Ordering

AASIS Purchase Order

- ❖ When there is a need for a material or service.
- ❖ Complete the Purchase Requisition to Purchase Order (Form "A").
- ❖ E-Mail to sb-osp@dfa.arkansas.gov.
- ❖ OSP will create the PO and fax or email to the agency.



Receiving (Goods Receipt)

AASIS Purchase Order

- ❖ Materials or services have been received
- ❖ Follow the Goods Receipt procedure
- ❖ Email to sb-osp@dfa.arkansas.gov
- ❖ SAP document number will be created in AASIS by OSP



Vendor Invoice

AASIS Purchase Order

- ❖ Invoice received by agency from vendor
- ❖ Complete the Purchase Order Invoice/Credit Memo form
- ❖ Email to sb-accounting@dfa.state.ar.us

Purchase Requisition to Purchase Order (Form A) Instructions



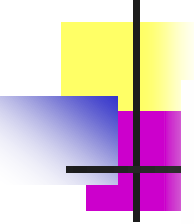
DEPARTMENT OF FINANCE AND ADMINISTRATION
Office of State Procurement
Purchase Requisition to Purchase Order (Form A)

[Print Form](#)[Clear Form](#)[Instructions](#)[Submit by Email](#)

Agency Information		OSP Use Only
Agency Name ▼		OA #
Contact Name	Contact Phone Number	PO #
Contact Email Address	Contact Fax Number	Processed By
Authorized Signature	<input type="checkbox"/> By checking this box, you confirm you are an authorized signatory for your agency.	Date

- Select agency name from the drop-down.
- Enter the contact name, phone number, email address, and fax number of the agency representative coordinating the order.
- An authorized person or designee should sign the form. Check the box to the right of the signature to confirm you are an authorized signatory for your agency. Enter the date signed.

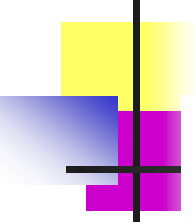
Purchase Requisition to Purchase Order (Form A) Instructions



Agency Delivery Address	Agency Invoice Address
Agency Name	Agency Name
Address	Address
City, State, Zip Code	City, State, Zip Code

- Enter the agency name and address for shipment of goods and/or service to be rendered.
- Enter the agency name and address the invoice is to be received.

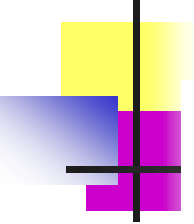
Purchase Requisition to Purchase Order (Form A) Instructions



Vendor (Supplier)	Partner Vendor (Payment)
AASIS Vendor Number	AASIS Vendor Number
Vendor Name	Vendor Name
Address	Address
City, State, Zip Code	City, State, Zip Code

- Enter the AASIS Vendor Number and vendor name of the supplier.
(Alternate: Or enter the vendor address, city, state, and zip code.)
- Enter the AASIS Vendor Number and vendor name ***only*** if the vendor payment address is different than the ordering address.
(Alternate: Or enter the vendor address, city, state, and zip code.)

Purchase Requisition to Purchase Order (Form A) Instructions

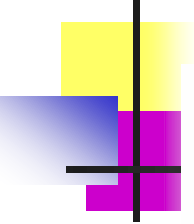


Miscellaneous					
<input type="checkbox"/> Commodity	<input type="checkbox"/> Service	<input type="checkbox"/> State Contract	Delivery Date	State Contract #	Co-op Contract #
Service Type	Validity Begins	Validity Ends	AASIS Outline Agreement or Prof. Service Contract Number		
Comments					

- Select the appropriate category: Commodity, Service or State Contract.
- Enter the expected day of delivery for goods to be received.
- If utilizing a state contract, enter the number (it will start with SP and/or 46).
- If utilizing a cooperative contract, also enter the Co-op contract number.

- If a service, enter the type of service. (example: Professional, Consulting, Technical, etc.)
- Enter the beginning and ending dates of the contract.
- Enter the AASIS Outline Agreement number (it will start with 46).
- If a Professional / Consultant Service Contract, enter the contract number.

Purchase Requisition to Purchase Order (Form A) Instructions

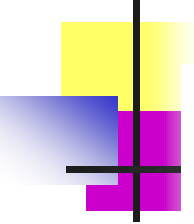




Order Items					
Detailed Specification/Contract Item Description					Unit of Measure ▼
Quantity	Unit Price	Est. Yearly Cost	Sub-Total	Sales Tax Code ▼	Total
GL Account	Cost Center	Asset Number	Project/WBS Element		Internal Order
Add Item			Remove Item		

Commodity *(An article of commerce especially when delivered for shipment.)*

- ✓ Enter the detailed specification of goods to be received.
- ✓ Select the unit of measure from the drop-down.
- ✓ Enter the quantity to be purchased.
- ✓ Enter the unit price.
- ✓ ***Skip*** the est. yearly cost.
- ✓ Enter the sub-total.
- ✓ Select the sales tax code from the drop-down.
- ✓ Enter the total price.
- ✓ Enter the appropriate financial element.
- ✓ Click "Add Item" button for more entries.

Purchase Requisition to Purchase Order (Form A) Instructions



Order Items					
Detailed Specification/Contract Item Description					Unit of Measure 
Quantity	Unit Price	Est. Yearly Cost	Sub-Total	Sales Tax Code 	Total
GL Account	Cost Center	Asset Number	Project/WBS Element		Internal Order
Add Item			Remove Item		

Service (An act or a variety of work done for others.)

❖ Service with Estimated Yearly Cost

- ✓ Enter the detailed specification of service to be rendered.
- ✓ Select the unit of measure from the drop-down.
- ✓ **Skip** the quantity **and** the unit price .
- ✓ Enter the estimated yearly cost of service.
- ✓ **Skip** the sub-total.
- ✓ Select the sales tax code from the drop-down.
- ✓ Enter the total price.
- ✓ Enter the appropriate financial element.
- ✓ Click "Add Item" button for more entries.

❖ Service with Firm Price

- ✓ Enter the detailed specification of service to be rendered.
- ✓ Select the unit of measure from the drop-down.
- ✓ Enter the quantity.
- ✓ *Enter* the unit price .
- ✓ **Skip** the estimated yearly cost of service.
- ✓ Enter the sub-total.
- ✓ Select the sales tax code from the drop-down.
- ✓ Enter the total price.
- ✓ Enter the appropriate financial element.
- ✓ Click "Add Item" button for more entries.